

LOAN AGREEMENT

between

**THE ECONOMIC DEVELOPMENT CORPORATION
OF THE TOWNSHIP OF GEORGETOWN
(the "Issuer")**

and

**SUNSET MANOR, INC.
(the "Borrower")**

\$_____
**THE ECONOMIC DEVELOPMENT CORPORATION
OF THE TOWNSHIP OF GEORGETOWN
LIMITED OBLIGATION REVENUE BONDS, SERIES 2009
(SUNSET MANOR, INC. PROJECT)**

Dated as of December 1, 2009

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(This Index is not a part of the Agreement but rather is for convenience of reference only)

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LOAN AGREEMENT

THIS LOAN AGREEMENT ("Agreement") is made and entered into as of December 1, 2009, between THE ECONOMIC DEVELOPMENT CORPORATION OF THE TOWNSHIP OF GEORGETOWN (the "Issuer"), a public body corporate incorporated pursuant to Public Act 338 of the Michigan Public Acts of 1974, as amended (the "Act"), and SUNSET MANOR, INC., a Michigan nonprofit corporation (the "Borrower"), under the circumstances summarized in the following recitals (the capitalized terms not defined above or in the recitals being used therein as defined in or pursuant to Article I hereof):

WHEREAS, pursuant to the provisions of the Act, the Issuer may issue revenue bonds to provide funds for the making of loans to assist in providing financing for "projects" (as defined in the Act); and

WHEREAS, the Issuer has found and determined, and does hereby find and determine, that refinancing with tax-exempt bonds of the indebtedness incurred by the Borrower for constructing, acquiring and furnishing of the Project by the Borrower will promote and advance economic development and provide needed services and facilities in the Charter Township of Georgetown, Ottawa County, Michigan, and that the Issuer, by assisting with the refinancing of the Project, will be acting in a manner consistent with and in furtherance of the provisions of the Act; and

WHEREAS, at the request of the Borrower, pursuant to the Act the Issuer proposes to issue its Bonds and to lend the proceeds thereof to the Borrower pursuant to this Agreement to be applied to the refinancing of the indebtedness incurred for the Project; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto covenant, agree and bind themselves as follows (provided that any obligation of the Issuer created by or arising out of this Agreement shall not be a general debt on its part but shall be payable solely out of the Revenues):

ARTICLE I

DEFINITIONS

Section 1.1 Use of Defined Terms. Words and terms defined in the Indenture shall have the same meanings when used herein, unless the context or use clearly indicates another meaning or intent. In addition, the words and terms set forth in Section 1.2 hereof shall have the meanings set forth therein unless the context or use clearly indicates another meaning or intent.

Section 1.2 Definitions.

"Additional Payments" means the amounts required to be paid by the Borrower pursuant to the provisions of Section 4.2 hereof.

"Borrower Documents" means the major documents to which the Borrower is a party relating to the Bonds, which will include this Agreement and the Note, and may include a bond purchase agreement, a reimbursement or other credit agreement and a remarketing agreement.

"Event of Default" means any of the events described as an Event of Default in Section 7.1 hereof.

"Force Majeure" means any of the causes, circumstances or events described as constituting *Force Majeure* in Section 7.1 hereof.

"Indenture" means the Trust Indenture, dated as of even date herewith, between the Issuer and the Trustee, as amended or supplemented from time to time.

"Issuer Documents" means this Agreement, the Indenture and the Letter of Representations and may include a bond purchase agreement.

"Loan Payment Date" means any date on which any of the Loan Payments are due and payable, whether at maturity, upon acceleration, call for redemption or prepayment, or otherwise.

"Plans and Specifications" means the plans and specifications for the construction, renovation and upgrading of the Project.

"Project" means the real, personal or real and personal property, including undivided interests or other interests therein, identified in Exhibit A attached hereto as a part hereof, constructed, renovated and upgraded as a replacement or substitution therefor or an addition thereto, or as may result from any revisions thereof in accordance with the provisions of this Agreement.

"Unassigned Issuer's Rights" means all of the rights of the Issuer to receive Additional Payments under Section 4.2 hereof, to be held harmless and indemnified under Section 5.3 hereof, to be reimbursed for attorney's fees and expenses under Section 7.4 hereof, and to give or withhold consent to amendments, changes, modifications, alterations and termination of this Agreement under Section 8.5 hereof or the Indenture under the applicable provisions thereof.

Section 1.3 Interpretation. Any reference herein to the Issuer or to any member or officer of the Issuer includes entities or officials succeeding to their respective functions, duties or responsibilities pursuant to or by operation of law or lawfully performing their respective functions.

Any reference to a section or provision of the constitution of the State (the "Constitution") or the Act, or to any statute of the United States of America, includes that section, provision, chapter or statute as amended, modified, revised, supplemented or superseded from time to time; provided, that no amendment, modification, revision, supplement or superseding section, provision, chapter or statute shall be applicable solely by reason of this provision if it constitutes in any way an impairment of the rights or obligations of the Issuer, the Holders, the Trustee, the Bank or the Borrower under this Agreement.

Unless the context indicates otherwise, words importing the singular number include the plural number, and *vice versa*; the terms "hereof," "hereby," "herein," "hereto," "hereunder" and similar terms refer to this Agreement; and the term "hereafter" means after, and the term "heretofore" means before, the date of delivery of the Bonds. Words of any gender include the correlative words of the other genders, unless the sense indicates otherwise.

Section 1.4 Captions and Headings. The captions and headings in this Agreement are solely for convenience of reference and in no way define, limit or describe the scope or intent of any articles, sections, subsections, paragraphs, subparagraphs or clauses hereof.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.1 Representations of the Issuer. The Issuer represents and warrants that:

(a) The Issuer is a public body corporate established and acting pursuant to the Act with full authority under the Act to issue the Bonds and execute and enter into this Agreement, the Indenture and all other documents required by the Bond Resolution to be executed and delivered by the Issuer.

(b) All of the proceedings approving the Agreement and the Indenture relating to the Bonds were conducted by the Issuer at meetings which complied with Act 267, Michigan Public Acts, 1976, as amended.

(c) No member of the Board of Directors of the Issuer is directly or indirectly a party to or in any manner whatsoever interested in the Agreement, the Indenture, the Bonds or the proceedings related thereto.

Section 2.2 Representations, Warranties and Covenants of the Borrower. The Borrower represents, warrants and covenants that:

(a) The Borrower (i) is duly organized and validly existing and in good standing under the laws of the State, with power under the laws of the State to carry on its business as now being conducted, (ii) has the power and authority to own the properties and assets owned or to be owned by it, including the Project, and (iii) has full power and authority to execute and deliver this Agreement and the Note and to perform its obligations as contemplated thereunder.

(b) The Borrower (i) is a Michigan nonprofit corporation and no part of its earnings inures to the benefit of any person, private shareholder or individual within the meaning of Section 501(c)(3) of the Code or Section 3(a)(4) of the Securities Act of 1933, as amended; (ii) is a person described in Section 501(c)(3) of the Code, is exempt from federal income taxation under Section 501(a) of the Code and is not a "private foundation" as defined in Section 509(a) of the Code; and (iii) has no "unrelated business taxable income" as defined in Section 512 of the Code which could have a material adverse effect on the Borrower's status as

an organization described in Section 501(c)(3) of the Code or its exemption from federal income taxation under Section 501(a) of the Code or which, if such income were subject to federal income taxation, would have a material adverse effect on the financial condition or otherwise of the Borrower.

(c) There are no actions, suits, proceedings, inquiries or investigations pending, or to the knowledge of the Borrower threatened against or affecting the Borrower in any court or before any governmental authority or arbitration board or tribunal which, if determined adversely to the Borrower, would materially and adversely affect the transactions contemplated by this Agreement, the Indenture or the other Borrower Documents or which, in any way, would adversely affect the enforceability or validity of the Bonds, the Indenture, this Agreement or the other Borrower Documents or the ability of the Borrower to perform its obligations under this Agreement and the other Borrower Documents.

(d) The execution, delivery and performance of this Agreement and the Note and the compliance by the Borrower with all of the provisions hereof and thereof are within its powers, have been duly authorized, and are not in contravention of law or any unwaived provision of any mortgage, deed, instrument or undertaking to which the Borrower is a party or by which it or its property is bound.

(e) The Borrower Documents are valid, binding and enforceable in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally and general principles of equity.

(f) The Borrower is not in default in any material respect under any order, writ, judgment, injunction, decree, determination or award or any indenture, agreement, lease or instrument. The Borrower is not in default under any law, rule or regulation wherein such default could materially adversely affect the Borrower or the ability of the Borrower to perform its obligations under this Agreement or the other Borrower Documents.

(g) The Project conforms in all material respects with all applicable zoning, planning, building, environmental and other regulations of the governmental authorities having jurisdiction of the Project and all approvals required to operate the Project have been obtained from appropriate state and federal agencies and departments or, if not obtained on the date of this Agreement, are expected to be obtained in the normal course of business at or prior to the time such authorizations, consents or approvals are required to be obtained.

(h) The Project will not have the effect of transferring more than 20 full-time employees from one municipality of the State to another in violation of the Act.

(i) The Borrower owns the Project and intends to operate the Project at all times during the term of this Agreement so as to qualify as a "project" as defined in the Act and does not know of any reason why the Project will not be so owned or used by it in the absence of supervening circumstances not now anticipated by it or beyond its control. In no event will title or beneficial ownership of the Project be transferred to any person other than an organization

described in Section 501(c)(3) of the Code and exempt from tax under Section 501(a) of the Code or a local governmental entity unless the Trustee shall have previously received an opinion of Bond Counsel that such transfer will not affect the exemption from federal income taxation of interest on the Bonds.

(j) No authorizations, consents or approvals of governmental bodies or agencies are required in connection with the execution and delivery by the Borrower of the Borrower Documents or in connection with the carrying out by the Borrower of its obligations under the Borrower Documents which have not been obtained, other than any which, if not obtained on or before the date of this Agreement, are expected to be obtained in the normal course of business at or prior to the time such authorizations, consents or approvals are required to be obtained.

(k) No director or officer of the Issuer has any interest of any kind in the Borrower which would result, as a result of the issuance of the Bonds, in a substantial financial benefit to such persons other than as a member of the general public or employee of the Borrower.

(l) All property which is to be refinanced by the net proceeds of the Bonds is to be owned by the Borrower or a governmental unit in the State.

(m) The amount of issuance costs relating to the Bonds to be financed from the proceeds of the Bonds shall not exceed 2% of the proceeds of the Bonds.

(n) The Project is complete.

(o) There are no other bonds described in Section 145(a) of the Code which have been issued, or are contemplated to be issued, pursuant to Section 145(a) of the Code (or its predecessor provision), for the benefit of the Borrower or any person related to the Borrower and which (i) were or are to be sold within 15 days of the sale of the Bonds; (ii) were or are to be sold pursuant to a common plan of marketing as the marketing plan for the Bonds; and (iii) are payable directly or indirectly by the Borrower or from the source from which the Bonds are payable determined without regard to guaranties from unrelated parties.

(p) The information furnished by the Borrower in its Borrower Questionnaire delivered on the date of issuance and delivery of the Bonds for use by the Issuer in preparing the Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues, to be filed by or on behalf of the Issuer pursuant to Section 149(e) of the Code is true and complete.

(q) The average weighted maturity of the Bonds does not exceed 120% of the average reasonably expected economic life of the Project, as determined pursuant to Section 147(b) of the Code.

(r) No portion of the proceeds of the Bonds will be used to provide any airplane, skybox or other private luxury box, facility primarily used for gambling, store the principal business of which is the sale of alcoholic beverages for off premises consumption or residential real property for family units.

(s) The payment of principal or interest with respect to the Bonds is not guaranteed in whole or in part by the United States or any agency or instrumentality thereof. The Bonds are not issued as part of an issue a significant portion of the proceeds of which are to be used in making loans the payment of principal or interest with respect to which are to be guaranteed in whole or in part by the United States or any agency or instrumentality thereof, or invested directly or indirectly in federally insured deposits or accounts. The payment of principal or interest on the Bonds is not otherwise indirectly guaranteed in whole or in part by the United States or any agency or instrumentality thereof within the meaning of Section 149(b) of the Code.

(t) The Borrower will comply with the provisions of Section 148 of the Code. The Borrower covenants, for the benefit of itself, the Issuer and the holders from time to time of the Bonds, that it will not cause or permit any proceeds of the Bonds to be invested in a manner contrary to the provisions of Section 148 of the Code and that it will assume compliance with such provisions on behalf of the Issuer (including, without limitation, performing required calculations, the keeping of proper records and the timely payment to the Department of the Treasury of the United States, in the name of the Issuer, of all amounts required to be so paid by Section 148 of the Code).

(u) With respect to the Bonds, the Borrower has not made and will not make any payments, or agreements to pay, to any party other than the United States an amount that is required to be paid to the United States under the rebate requirements under Section 148(f) of the Code by entering into any transaction that reduces the amount required to be paid to the United States because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the yield on the Bonds not been relevant to either party. The Borrower will not acquire with proceeds of the Bonds any certificate of deposit, investment contract, or any other type of investment that does not comply with the provisions of the Code.

(v) No more than 5% of the net proceeds (as defined in Section 150(a)(3) of the Code) of the Bonds is to be used for any private business use (which, for purposes of this paragraph, shall mean private business use as defined in Section 141(b)(6) of the Code other than use by a Section 501(c)(3) organization or state or local governmental unit or agency in furtherance of its exempt purposes or function and not in any unrelated trade or business as defined in Section 513(a) of the Code). No payment of the principal of, and the interest on, the Bonds (under the terms of the Bonds or any underlying arrangement) is to be directly or indirectly (A) secured by any interest in (i) property used or to be used for a private business use (as defined in this paragraph), or (ii) payments in respect of such property, or (B) derived from payments (whether or not to the Issuer) in respect of property or borrowed money, used or to be used for a private business use (as defined in this paragraph).

(w) There are no contracts or other arrangements providing for private business use or ownership of any property to be refinanced by proceeds of the Bonds by any person other than an organization described in Section 501(c)(3) of the Code (but only to the extent that such property is used in furtherance of such Section 501(c)(3) organization's exempt purposes or function) or a unit of state or local government, and the Borrower covenants not to enter into any such contracts or arrangements during the term of this Agreement, including any contracts or arrangements for the provision of medical services, food services, management services, research services, or any other types of services, except contracts and arrangements which satisfy the

requirements of Treas. Reg. 1.141-2 and Rev. Proc. 97-13 or other applicable regulations under the Code.

(x) The Borrower has not entered into, and has no present intent to enter into, any contract, agreement, letter of intent or other document, whether binding or non-binding, concerning the sale, assignment, lease, transfer or other disposition of all or any part of the Project, other than leases and other arrangements for use of the Project that comply with paragraphs (x) and (y) above. Neither title nor beneficial ownership of the Project will be transferred to any person other than an organization described in Section 501(c)(3) of the Code and exempt from tax under Section 501(a) of the Code or a local governmental entity unless the Trustee shall have previously received an opinion of Bond Counsel that such transfer will not affect the exemption from federal income taxation of interest on the Bonds.

(y) No event has occurred and no condition exists with respect to the Borrower that would constitute an "Event of Default" under this Agreement or that, with the lapse of time or the giving of notice or both, would become an "Event of Default" under this Agreement.

(z) No proceeds of the Bonds will be allocated to the reimbursement of an expenditure for Project costs unless such reimbursement allocation is made not later than 18 months after the later of:

- (i) the date the original expenditure is paid; or
- (ii) the date the Project is placed in service or abandoned, but in no event more than three years after the original expenditure is paid.

(aa) Not more than fifty percent (50%) of the proceeds of sale of the Bonds are invested in nonpurpose investments having a substantially guaranteed yield for 4 years or more or the other requirements of Section 149(g) of the Code are satisfied.

(ab) The Borrower covenants and agrees that it will establish a special account with the Trustee, designated "The Economic Development Corporation of the Township of Georgetown – Sunset Manor, Inc. Rebate Fund," as and when required to comply and evidence compliance with subparagraph (v) above of this Section 2.2.

(ac) No material portion of the Project has been or will be used primarily for sectarian instruction or study, or as a place of devotional activities or religious worship, or as a facility used primarily in connection with any part of the program of a school or department of divinity for any religious denomination, or the training of ministers or other similar persons in the field of religion.

(ad) The Borrower has complied and intends to comply with its obligations, covenants and representations under all of the Borrower Documents and any other documents related to the Borrower Documents to which the Borrower is a party to the extent such obligations affect the tax-exempt status of the Bonds.

ARTICLE III
THE PROJECT;
ISSUANCE OF THE BONDS

Section 3.1 The Project; Issuer Not Liable. The Project is now complete and all material expenses, fees and costs relating to the construction, acquisition and furnishing of the Project have been paid.

The Issuer makes no warranty, either express or implied, and offers no assurance as to the condition of the Project or that the Project is or will be suitable for the Borrower's purposes, or that the proceeds derived from the sale of the Bonds will be sufficient to pay all Project costs, and the Issuer shall not be liable to the Borrower if for any reason the Project is not completed.

Section 3.2 Issuance of the Bonds; Application of Proceeds. To provide funds to make the Loan for purposes of assisting the Borrower in the refinancing of the Project, the Issuer will issue, sell and deliver the Bonds upon the order of the Bank as provided in the Bank's agreement to purchase the Bonds. The Bonds will be issued pursuant to the Indenture in the aggregate principal amount, will bear interest, will mature and will be subject to redemption as set forth therein. The Borrower hereby approves the terms and conditions of the Indenture and the Bonds, and the terms and conditions under which the Bonds will be issued, sold and delivered.

The proceeds from the sale of the Bonds shall be loaned to the Borrower and shall be paid over for the benefit of the Borrower and the Holders of the Bonds to the (1) Trustee and deposited as provided in Sections 5.01 and 5.03 of the Indenture or (2) Bank, while the Bonds bear interest in the Bank Purchase Mode, and deposited in accordance with the instructions of the Bank under Section 5.02 of the Indenture. Pending disbursement pursuant to Section 3.3 hereof, the proceeds deposited in or credited to the Project Fund, together with any investment earnings thereon, shall constitute a part of the Revenues assigned by the Issuer to the payment of Bond Service Charges as provided in the Indenture.

At the request of the Borrower, and for the purposes and upon fulfillment of the conditions specified in the Indenture, the Issuer may provide for the issuance, sale and delivery of Additional Bonds and loan the proceeds from the sale thereof to the Borrower.

While the Bonds bear interest in the Bank Purchase Mode, the Bank shall establish separate bookkeeping accounts entitled "Project Fund" and "Bond Fund", which accounts shall for all purposes of the Borrower Documents and the Indenture constitute the "Project Fund" and the "Bond Fund" referred to in this Agreement and the Indenture.

Section 3.3 Disbursements from the Project Fund. Disbursements from the proceeds of the sale of Bonds which are deposited in or credited to the Project Fund shall be made in accordance with the written instructions of the Bank, acknowledged in writing by the Borrower.

Section 3.4 Investment of Fund Moneys. At the written request of the Authorized Borrower Representative, any moneys held as part of the Bond Fund (except moneys held in the

Bond Fund from draws on a Letter of Credit for purposes of defeasing the Bonds pursuant to Article IX of the Indenture), the Project Fund or the Rebate Fund shall be invested or reinvested in Eligible Investments. The Issuer and the Borrower each hereby covenants that it will restrict that investment and reinvestment and the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time of delivery of and payment for the Bonds, so that the Bonds will not constitute arbitrage bonds under Section 148 of the Code.

The Borrower shall comply, for itself and on behalf of the Issuer, with all applicable requirements of the Code. In particular, if the Borrower fails to satisfy any applicable rebate exception based upon the expenditure of Bond proceeds, the Borrower covenants and agrees to retain legal counsel or a firm specializing in the calculation of arbitrage rebate no later than 5 years from the date of issuance of the Bonds to assist the Borrower, on behalf of the Issuer, in determining the extent and method of compliance required by Section 148 of the Code and will pay any rebate due under the Code and retain records as required by the Code.

The Borrower shall provide the Issuer with, and the Issuer may conclusively base its certificates as authorized by the Bond Resolution on, a certificate of the Borrower for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the Borrower on the date of delivery of and payment for the Bonds regarding the amount and use of the proceeds of the Bonds and the facts, estimates and circumstances on which those expectations are based.

Section 3.5 No Warranty by Issuer. THE BORROWER RECOGNIZES THAT THE ISSUER HAS NOT MADE AN INSPECTION OF THE PROJECT OR OF ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, AND THE ISSUER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED OR OTHERWISE, WITH RESPECT TO THE SAME OR THE LOCATION, USE, DESCRIPTION, DESIGN, MERCHANTABILITY, FITNESS FOR USE FOR ANY PARTICULAR PURPOSE, CONDITION OR DURABILITY THEREOF, OR AS TO THE BORROWER'S TITLE THERETO OR OWNERSHIP THEREOF OR OTHERWISE, IT BEING AGREED THAT ALL RISKS INCIDENT THERETO ARE TO BE BORNE BY THE BORROWER. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE IN THE PROJECT OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER PATENT OR LATENT, THE ISSUER SHALL HAVE NO RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO. THE PROVISIONS OF THIS SECTION 3.5 HAVE BEEN NEGOTIATED AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY WARRANTIES OR REPRESENTATIONS BY THE ISSUER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROJECT OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER ARISING PURSUANT TO THE UNIFORM COMMERCIAL CODE OF THE STATE OF MICHIGAN OR ANOTHER LAW NOW OR HEREAFTER IN EFFECT OR OTHERWISE.

ARTICLE IV

LOAN BY ISSUER; REPAYMENT OF THE LOAN; LOAN PAYMENTS AND ADDITIONAL PAYMENTS

Section 4.1 Loan Repayment; Delivery of Notes and Letter of Credit. Upon the terms and conditions of this Agreement, the Issuer will make the Loan to the Borrower. In consideration of and in repayment of the Loan, the Borrower shall make, as Loan Payments, payments sufficient in time and amount to pay when due all Bond Service Charges, all as more particularly provided in the Note and any Additional Note. The Note shall be executed and delivered by the Borrower, and endorsed and assigned by the Issuer to the Trustee, concurrently with the execution and delivery of this Agreement. All Loan Payments shall be paid to the Trustee in accordance with the terms of the Note and any Additional Note for the account of the Issuer and shall be held and applied in accordance with the provisions of the Indenture and this Agreement.

In connection with the issuance of any Additional Bonds, the Borrower shall execute and deliver to the Issuer, and the Issuer shall endorse and assign to the Trustee one or more Additional Notes in a form substantially similar to the form of the Note. All such Additional Notes shall:

- (a) provide for payments of interest equal to the payments of interest on the corresponding Additional Bonds;
- (b) require payments of principal and prepayments and any premium equal to the payments of principal, redemption payments and sinking fund payments and any premium on the corresponding Additional Bonds;
- (c) require all payments on any such Additional Notes to be made no later than the due dates for the corresponding payments to be made on the corresponding Additional Bonds; and
- (d) contain by reference or otherwise optional and mandatory prepayment provisions and provisions in respect of the optional and mandatory acceleration or prepayment of principal and any premium corresponding with the redemption and acceleration provisions of the corresponding Additional Bonds.

All Notes may secure equally and ratably all outstanding Bonds, except that, so long as no Event of Default described in paragraph (a), (b), (c) or (g) of Section 7.01 of the Indenture has occurred and is continuing, and a Letter of Credit securing the Bonds is in effect, payments by the Borrower on the Note (other than payments representing any premium due on the Bonds and such premium is not covered by the Letter of Credit) shall be used by the Trustee to reimburse the Bank for drawings on the Letter of Credit used to pay Bond Service Charges on the Bonds.

Upon payment in full, in accordance with the Indenture, of the Bond Service Charges on any series of Bonds, whether at maturity or by redemption or otherwise, or upon provision for the payment thereof having been made in accordance with the provisions of the Indenture, (i) the Notes issued concurrently with those corresponding Bonds, of the same maturity, bearing the same interest

rate and in an amount equal to the aggregate principal amount of the Bonds so surrendered and canceled or for the payment of which provision has been made, shall be deemed fully paid, the obligations of the Borrower thereunder shall be terminated, and any such Notes shall be surrendered by the Trustee to the Borrower, and shall be canceled by the Borrower, or (ii) in the event there is only one of those Notes, an appropriate notation shall be endorsed thereon evidencing the date and amount of the principal payment or prepayment equal to the Bonds so paid, or with respect to which provision for payment has been made, and that Note shall be surrendered by the Trustee to the Borrower for cancellation if all Bonds shall have been paid (or provision made therefor) and canceled as aforesaid. Unless the Borrower is entitled to a credit under express terms of this Agreement or the Notes, all payments on each of the Notes shall be in the full amount required thereunder.

Except for such interest of the Borrower and the Bank as may hereafter arise pursuant to Section 5.06 or 5.07 of the Indenture, the Borrower and the Issuer each acknowledge that neither the Borrower nor the Issuer has any interest in the Bond Fund and any moneys deposited therein shall be in the custody of and held by the Trustee in trust for the benefit of the Holders and, to the extent of amounts due under the Note, the Bank.

In the event that the Borrower elects to convert the Interest Rate Mode for the Bonds to the Bank Purchase Mode, the Trustee shall assign the Note to the Bank. If the Borrower thereafter elects to convert the Interest Rate Mode to a mode other than the Bank Purchase Mode, the Bank shall assign the Note back to the Trustee.

As provided in the form of the Bank Purchase Bond, while the Bonds bear interest in the Bank Purchase Mode, upon notice to the Trustee, the Borrower and the Bank may elect to have all Loan Payments made by the Borrower directly to the Bank.

Section 4.2 Additional Payments. The Borrower shall pay to the Issuer, as Additional Payments hereunder, any and all costs and expenses incurred or to be paid by the Issuer in connection with the issuance, delivery and payment in full in accordance with the Indenture of the Bonds and Additional Bonds or otherwise related to actions taken by the Issuer under this Agreement or the Indenture.

The Borrower shall pay to the Trustee its customary and reasonable fees, charges and expenses, for acting as such under the Indenture.

Section 4.3 Place of Payments. Except as may be provided in Section 2.09 of the Indenture, the Borrower shall make all Loan Payments directly to the Trustee at its designated corporate trust office. Additional Payments shall be made directly to the person or entity to whom or to which they are due.

Section 4.4 Obligations Unconditional. The obligations of the Borrower to make Loan Payments, Additional Payments and any payments required of the Borrower under Section 6.03 of the Indenture shall be absolute and unconditional, and the Borrower shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, setoff, recoupment or counterclaim which the Borrower

may have or assert against the Issuer, the Trustee, the Bank or any other Person; provided that the Borrower may contest or dispute the amount of any such obligation (other than Loan Payments) so long as such contest or dispute does not result in an Event of Default under the Indenture.

Section 4.5 Assignment of Agreement and Revenues. To secure the payment of Bond Service Charges, the Issuer shall assign to the Trustee, by the Indenture, all its right, title and interest in and to the Revenues, the Agreement (except for Unassigned Issuer's Rights) and the Note. The Borrower hereby agrees and consents to that assignment.

Section 4.6 Letter of Credit. The Borrower may cause the Bank to issue and deliver a Letter of Credit to the Trustee. The Letter of Credit may be replaced by an Alternate Letter of Credit complying with the provisions of Section 5.09 of the Indenture. The Borrower shall take whatever action may be necessary to maintain the Letter of Credit or an Alternate Letter of Credit in full force and effect during the period required by the Indenture.

ARTICLE V

ADDITIONAL AGREEMENTS AND COVENANTS

Section 5.1 Right of Inspection. Subject to reasonable security and safety regulations and upon reasonable notice, the Issuer, the Bank and the Trustee, and their respective agents, shall have the right during normal business hours to inspect the Project.

Section 5.2 Sale, Lease or Grant of Use by Borrower. Subject to the provisions of Section 5.10 hereof, the Borrower may sell, lease or grant the right to occupy and use the Project, in whole or in part, to others, provided that:

(a) No such sale, lease or grant shall relieve the Borrower from the Borrower's obligations under this Agreement or the Notes unless the purchaser, lessee or grantee shall (i) assume in full the obligations of the Borrower hereunder, under the Notes and the Indenture, (ii) during the period a Letter of Credit is required under the Indenture, cause an Alternate Letter of Credit to be issued in accordance with the terms hereof and the Indenture concurrently with the assumption of the Borrower's obligations, and (iii) during the period the Bonds bear interest in the Bank Purchase Mode, obtain the written consent of the Bank to such sale, lease or grant. Prior to the sale, lease or grant the Borrower shall provide the Issuer and the Trustee with an opinion of Bond Counsel to the effect that the requirements of subsection (c) of this Section 5.2 are satisfied in connection with such sale, lease or grant;

(b) In connection with any such sale, lease or grant, to the extent that the Borrower's obligations are not assumed in full by the purchaser, lessee or grantee, the Borrower shall retain such rights and interests as will permit the Borrower to comply with the Borrower's obligations under this Agreement and the Notes; and

(c) No such sale, lease or grant shall impair materially the purposes of the Act to be accomplished by operation of the Project as herein provided or adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

Section 5.3 Indemnification.

(a) The Issuer, the Township and their respective officials, directors, members, officers, agents, and employees (the "Indemnified Persons") shall not be liable to the Borrower for any reason. The Borrower shall indemnify and hold the Issuer and the Indemnified Persons harmless from any loss, expense (including reasonable counsel fees), or liability of any nature due to any and all suits, actions, legal or administrative proceedings, or claims arising or resulting from, or in any way connected with:

- (i) the refinancing, construction, installation, operation, use, or maintenance of the Project and the issuance of the Bonds,
- (ii) any act, failure to act, or misrepresentation by any person, firm, corporation or governmental agency, including the Issuer, the Township, the Borrower, the Bank, the Trustee or the Remarketing Agent in connection with the issuance, sale, remarketing or delivery of the Bonds,
- (iii) any act, failure to act, or misrepresentation by the Issuer, the Township, the Borrower, the Bank, the Trustee or the Remarketing Agent in connection with this Agreement, the Indenture or any other document involving the Issuer in this matter, or
- (iv) the selection and appointment of firms providing services related to the Bond transaction.

If any suit, action or proceeding is brought against the Issuer, the Township or any Indemnified Person, that suit, action or proceeding shall be defended by counsel to the Issuer or the Borrower, as the Issuer shall determine. If the defense is by counsel to the Issuer, the Borrower shall indemnify the Indemnified Persons for the reasonable cost of that defense, including reasonable counsel fees. If the Issuer determines that the Borrower shall defend any Indemnified Person, the Borrower shall immediately assume the defense at its own cost. Neither the Borrower, the Township nor the Issuer shall be liable for any settlement of any proceeding made without its consent (which consent shall not be unreasonably withheld). No Indemnified Person shall be liable for any settlement made without its consent which is subject to indemnification by the Borrower as set forth herein.

(b) The Borrower shall also indemnify the Indemnified Persons for all reasonable costs and expenses, including reasonable counsel fees incurred in:

- (i) enforcing any obligation of the Borrower under this Agreement or any related agreement,
- (ii) taking any action requested by the Borrower,

- (iii) taking any action required by this Agreement, the Indenture or any related agreement, or
- (iv) taking any action considered necessary by the Issuer and which is authorized by this Agreement, the Indenture or any related agreement.

(c) The Borrower shall not be obligated to indemnify any Indemnified Person under subsection (a), if a court with competent jurisdiction finds that the liability in question was caused by the willful misconduct or sole gross negligence of the Indemnified Person(s), unless the court determines that, despite the adjudication of liability but in view of all circumstances of the case, the Indemnified Person(s) is (are) fairly and reasonably entitled to indemnity for the expenses which the court considers proper.

(d) The Borrower also shall indemnify and hold the Trustee and its officers, directors, agents and employees harmless against any loss, liability or expense, including reasonable attorneys fees and expenses or settlement costs, incurred without breach of the required standard of care set forth in the Indenture on the part of the Trustee arising out of or in connection with claims or actions taken under or pursuant to the Indenture, including the costs and expenses of defense including counsel selected by any of them against any such claim or action or liability.

(e) The obligations of the Borrower under this Section shall survive repayment of the Loan and the payment or defeasance of the Bonds and any assignment or termination of this Agreement and the resignation or removal of the Trustee.

Section 5.4 Borrower Not to Adversely Affect Exclusion From Gross Income of Interest on Bonds. The Borrower hereby represents that the Borrower has taken and caused to be taken, and covenants that the Borrower will take and cause to be taken, all actions that may be required of the Borrower, alone or in conjunction with the Issuer, for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, and represents that the Borrower has not taken or permitted to be taken on the Borrower's behalf, and covenants that the Borrower will not take or permit to be taken on the Borrower's behalf, any actions that would adversely affect such exclusion under the provisions of the Code.

Section 5.5 Assignment by Issuer. Except for the assignment of this Agreement to the Trustee, the Issuer shall not attempt to further assign, transfer or convey its interest in the Revenues or this Agreement or create any pledge or lien of any form or nature with respect to the Revenues or the payments hereunder.

Section 5.6 Borrower's Performance Under Indenture. The Borrower has examined the executed Indenture and approves the form and substance of, and agrees to be bound by, its terms, including the terms of the Bonds authorized thereby. The Borrower, for the benefit of the Issuer and each Bondholder, shall do and perform all acts and things required or contemplated in the Indenture to be done or performed by the Borrower. The Borrower is a third party beneficiary of certain

provisions of the Indenture, and Section 8.05 of the Indenture is hereby incorporated herein by reference.

Section 5.7 Compliance with Laws. The Borrower shall, throughout the term of this Agreement and at no expense to the Issuer, promptly comply or cause compliance in all material respects with all laws, ordinances, orders, rules, regulations and requirements of duly constituted public authorities which may be applicable to the Project or to the repair and alteration thereof, or to the use or manner of use of the Project or to the Borrower's and any lessee's operations on the Project site. Notwithstanding the foregoing, the Borrower shall have the right to contest or cause to be contested the legality or the applicability of any such law, ordinance, order, rule, regulation or requirement so long as, in the opinion of counsel satisfactory to the Trustee and the Bank, such contest shall not in any way materially adversely affect or impair the obligations of the Borrower hereunder or any right or interest of the Trustee or the Bank in, to and under the Indenture or this Agreement.

Section 5.8 Taxes, Permits, Utility, Insurance and Other Charges. The Borrower shall pay and discharge or cause to be paid and discharged, promptly as and when the same shall become due and payable, all taxes and governmental charges of any kind whatsoever that may be lawfully assessed against the Issuer, the Trustee, the Bank or the Borrower with respect to the Project or any portion thereof. The Borrower may in good faith contest or cause to be contested any such tax or governmental charge, and in such event may permit such tax or governmental charge to remain unsatisfied during the period of such contest and may appeal therefrom unless, in the opinion of counsel satisfactory to the Trustee and the Bank, by such action any right or interest of the Trustee or the Bank in, to and under the Indenture or this Agreement shall be materially endangered or the Project or any part thereof, shall become subject to imminent loss or forfeiture, in which event such tax or governmental charge shall be paid prior to any such loss or forfeiture. The Trustee and the Bank shall at all times act in a reasonable manner in regard to requiring the Borrower to make such payments. The Borrower shall procure or cause to be procured any and all necessary building permits, other permits, licenses and other authorizations required for the lawful and proper construction, renovation and upgrading of the property comprising the Project and for the lawful and proper use and operation of the Project. The Borrower shall procure and maintain such insurance on or with respect to the property as may be required by the Bank.

Section 5.9 Continued Existence. The Borrower shall, to the extent within its control, continue to maintain its existence as a nonprofit corporation under Michigan law and as an organization described in Section 501(c)(3) of the Code with all of the attributes set forth in Section 2.2(b) hereof.

Section 5.10 Removal of Portions of the Project. The Borrower shall have the right, from time to time, to remove, substitute or modify any portion of the Project, provided that such removal, substitution or modification shall not materially alter the nature or use of the Project as presently contemplated or impair the character of the Project as a "project" within the meaning of the Act, and, provided further, that (a) with respect to property to be sold or otherwise removed from the Project site, (i) other property of equivalent or greater value and utility is substituted therefor, (ii) the proceeds of sale of any such property will be invested at a yield not in excess of the yield on the Bonds and used for the purpose of redeeming Bonds at the first subsequent call date, or (iii) the

Borrower receives an opinion of Bond Counsel that noncompliance with clause (i) or (ii) hereof will not adversely affect the exclusion of interest on the Bonds for federal income tax purposes. Notwithstanding the foregoing, if part or all of the Project wears out or becomes obsolete so that it is no longer functional to the Borrower and the Borrower deems it appropriate to dispose of such portion of the Project and, only if, the Borrower or any related person receives no economic benefit from the disposal thereof, then the Borrower may dispose of such property other than as provided in the immediately preceding sentence. Any such substituted or modified property shall be included under the terms of this Agreement as part of the Project.

Section 5.11 Operation of the Project. The Borrower covenants that it will faithfully and efficiently administer, maintain and operate itself, including the Project, and its employment policies and practices, and its various charitable programs, free of discrimination based upon race, color, religion, creed, national origin or sex (except that dormitories, if any, may be operated as single sex dormitories), and that contractors and subcontractors engaged in the construction or alteration of such facilities shall provide an equal opportunity for employment, without discrimination as to race, religion, color, sex or national origin, and that the Borrower agrees that until all the Bonds shall have been redeemed or retired and all other obligations incurred or to be incurred by the Issuer in connection with the Project under the Indenture or this Agreement shall have been paid, or sufficient funds (including Government Obligations) held in trust for the payment of all such obligations it shall use, maintain and operate, or cause to be used, maintained and operated, the Project consistent with the Borrower's obligations imposed hereunder, under the Act and the rules of the Issuer, and its status as an organization described in Section 501(c)(3) of the Code as determined by the Internal Revenue Service of the United States.

Section 5.12 General Limitations with Respect to Non-Impairment of Tax-Exempt Status of the Bonds. Notwithstanding any other provisions of the Agreement or any rights of the Borrower under the Agreement, the Borrower shall not take or permit to be taken by its agents or assigns any action which, or fail to take any reasonable action the omission of which, would

- (i) impair the exclusion of interest on the Bonds from gross income for federal income tax purposes; or
- (ii) affect the validity of the Bonds under the Act; or
- (iii) materially alter the scope, character, value, operation or utility of the Project.

In addition, the Borrower shall comply, for itself and on behalf of the Issuer, with all requirements of the Code. The Issuer and the Trustee, upon notification of action to be taken by the Borrower or prior to taking any action requested by the Borrower under the Agreement may require at the expense of the Borrower, an opinion of an attorney-at-law licensed to practice in the State of Michigan, Bond Counsel or an engineer qualified to render an opinion regarding the subject matter, or all of them, as may be appropriate, in writing with respect to compliance with the foregoing General Limitations.

Section 5.13 Continuing Disclosure. The Borrower hereby covenants and agrees that from and after the date any continuing disclosure agreement is executed pursuant to Section 2.08 of the Indenture, it will comply with and carry out all of the provisions of the continuing disclosure agreement. Notwithstanding any other provision of this Agreement, failure of the Borrower to comply with any continuing disclosure agreement shall not be considered an Event of Default hereunder; however, the Trustee may (and, at the request of the Remarketing Agent or the owners of at least 25% aggregate principal amount in Outstanding Bonds, shall), or any Bondholder or Beneficial Owner may, take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Borrower to comply with its obligations under this Section 5.13.

Section 5.14 Bank as Trustee During the Bank Purchase Mode. While the Bonds bear interest in the Bank Purchase Mode, the Bank shall act as both Trustee and Bondholder, and all references herein and in the Indenture to the “Trustee” shall be deemed to be to the Bank.

ARTICLE VI

REDEMPTION OF BONDS

Section 6.1 Optional Redemption. Provided no Event of Default shall have occurred and be continuing at any time and from time to time, the Borrower may deliver moneys to the Trustee in addition to Loan Payments or Additional Payments required to be made and direct the Trustee to use the moneys so delivered for the purpose of purchasing Bonds or of reimbursing the Bank for drawings on the Letter of Credit used to redeem Bonds called for optional redemption in accordance with the applicable provisions of the Indenture.

Section 6.2 Extraordinary Optional Redemption. Subject to the prior written approval of the Bank, the Borrower shall have, subject to the conditions hereinafter imposed, the option to direct the redemption of the entire unpaid principal balance of the Bonds in accordance with the applicable provisions of the Indenture upon the occurrence of any of the following events:

(a) The Project shall have been damaged or destroyed to such an extent that (1) it cannot reasonably be expected to be restored, within a period of three (3) months, to the condition thereof immediately preceding such damage or destruction or (2) its normal use and operation is reasonably expected to be prevented for a period of three (3) consecutive months;

(b) Title to, or the temporary use of, all or a significant part of the Project shall have been taken under the exercise of the power of eminent domain (1) to such extent that the Project cannot reasonably be expected to be restored within a period of three (3) months to a condition of usefulness comparable to that existing prior to the taking or (2) as a result of the taking, normal use and operation of the Project is reasonably expected to be prevented for a period of three (3) consecutive months; or

(c) As a result of any changes in the Constitution of the State, the constitution of the United States of America, or state or federal law, or as a result of legislative or administrative

action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Issuer, the Trustee or the Borrower in good faith, this Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed in this Agreement, or if unreasonable burdens or excessive liabilities shall have been imposed with respect to the Project or the operation thereof, including, without limitation, federal, state or other *ad valorem*, property, income or other taxes not being imposed on the date of this Agreement other than *ad valorem* taxes presently levied upon privately owned property used for the same general purpose as the Project.

Subject to the prior written approval of the Bank, the Borrower also shall have the option, in the event that title to or the temporary use of a portion of the Project shall be taken under the exercise of the power of eminent domain, even if the taking is not of such nature as to permit the exercise of the redemption option upon an event specified in clause (b) above, to direct the redemption, at a redemption price of 100% of the principal amount thereof prepaid, plus accrued interest to the redemption date, of that part of the outstanding principal balance of the Bonds as may be payable from the proceeds received by the Borrower (after the payment of costs and expenses incurred in the collection thereof) in the eminent domain proceeding, provided that the Borrower shall furnish to the Issuer, the Trustee and the Bank a certificate of an engineer qualified to render an opinion or certificate regarding the subject matter stating that (1) the property comprising the part of the Project taken is not essential to continued operations of the Project in the manner existing prior to that taking, (2) the Project has been restored to a condition substantially equivalent to that existing prior to the taking, or (3) other improvements have been acquired or made which are suitable for the continued operation of the Project.

To exercise any option under this Section, the Borrower within ninety (90) days following the event authorizing the exercise of that option, shall give notice to the Issuer, the Trustee and the Bank specifying the date of redemption, which date shall be not more than ninety (90) days from the date that notice is mailed, and shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption.

The rights and options granted to the Borrower in this Section may be exercised whether or not the Borrower is in default hereunder; provided, that such default will not relieve the Borrower from performing those actions which are necessary to exercise any such right or option granted hereunder.

Section 6.3 Mandatory Redemption of Bonds. If, as provided in the Bonds and the Indenture, the Bonds become subject to mandatory redemption or tender as a result of a Determination of Taxability or termination of the Letter of Credit or any Alternate Letter of Credit, the Borrower shall deliver to the Trustee, upon the date requested by the Trustee, moneys sufficient to pay in full the Bonds in accordance with the applicable mandatory redemption or tender provisions relating thereto set forth in the Indenture.

Section 6.4 Actions by Issuer. At the request of the Borrower or the Trustee, the Issuer shall take all steps required of it under the applicable provisions of the Indenture or the Bonds to effect the redemption of all or a portion of the Bonds pursuant to this Article VI.

Section 6.5 Required Deposits for Optional Redemption. Except with the prior written consent of the Bank, the Trustee shall not give notice of call to the Holders pursuant to the optional redemption provisions of Section 4.01 of the Indenture and Sections 6.1 and 6.2 hereof unless, prior to the date by which the call notice is to be given there shall be on deposit with the Trustee, Eligible Funds sufficient to redeem at the redemption price thereof, including premium (if any) and interest accrued to the redemption date, all Bonds for which notice of redemption is to be given.

All amounts paid by the Borrower pursuant to this Article which are used to pay principal of, premium, if any, or interest on the Bonds, or to reimburse the Bank for moneys drawn under the Letter of Credit and used for such purposes, shall constitute prepaid Loan Payments.

SECTION VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.1 Events of Default. Each of the following shall be an Event of Default:

(a) The Borrower shall fail to observe and perform any agreement, term or condition contained in this Agreement or a Note, and the continuation of such failure for a period of 30 days after notice thereof shall have been given to the Borrower by the Trustee, which shall give such notice upon the written direction of the Bank, or for such longer period as the Trustee with the prior written consent of the Bank may agree to in writing; provided, that if the failure is other than the payment of money and is of such nature that it can be corrected but not within the applicable period, that failure shall not constitute an Event of Default so long as the Borrower institutes curative action within the applicable period and diligently pursues that action to completion within 180 days from the date of the original notice given to the Borrower, or such longer period as the Trustee with the prior written consent of the Bank may agree to in writing; and further that no such failure shall constitute an Event of Default solely because it results in a Determination of Taxability;

(b) The Borrower shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, as now or thereafter in effect; (iii) commence a proceeding under any other federal or state bankruptcy, insolvency, reorganization or similar law, or have such a proceeding commenced against it and either have an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstayed for 90 days; (iv) make an assignment for the benefit of creditors; or (v) have a receiver or trustee appointed for it or for the whole or any substantial part of its property; or

(c) There shall occur an "Event of Default" as defined in Section 7.01 of the Indenture.

Notwithstanding the foregoing, if, by reason of *Force Majeure*, the Borrower is unable to perform or observe any agreement, term or condition hereof which would give rise to an Event of

Default under subsection (a) hereof (provided that such failure is other than the payment of money), the Borrower shall not be deemed in default during the continuance of such inability. However, the Borrower shall promptly give notice to the Trustee, the Issuer and the Bank of the existence of an event of *Force Majeure* and shall use its best efforts to remove the effects thereof; provided that the settlement of strikes or other industrial disturbances shall be entirely within the Borrower's discretion.

The term *Force Majeure* shall mean, without limitation, the following:

(i) acts of God; strikes; lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornados; storms; droughts; floods; arrests; restraining of government and people; explosions; breakage, malfunction or accident to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; shortages of labor, materials, supplies or transportation; or

(ii) any cause, circumstance or event not reasonably within the control of the Borrower.

The declaration of an Event of Default under subsection (b) above, and the exercise of remedies upon any such declaration, shall be subject to any applicable limitations of federal bankruptcy law affecting or precluding that declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation or reorganization proceedings.

Section 7.2 Remedies on Default. Whenever an Event of Default shall have happened and be continuing, any one or more of the following remedial steps may be taken:

(a) If and only if acceleration of the principal amount of the Bonds has been declared pursuant to Section 7.03 of the Indenture, the Trustee shall declare all Loan Payments and Notes to be immediately due and payable, whereupon the same shall become immediately due and payable;

(b) The Bank, the Issuer or the Trustee may have access to, inspect, examine and make copies of the books, records, accounts and financial data of the Borrower pertaining to the Project; and

(c) Subject to the Bank's right to control as set forth in the Indenture, the Issuer or the Trustee may pursue all remedies now or hereafter existing at law or in equity to collect all amounts then due and thereafter to become due under this Agreement, the Letter of Credit or the Notes or to enforce the performance and observance of any other obligation or agreement of the Borrower under those instruments.

Notwithstanding the foregoing, the Issuer shall not be obligated to take any step which in its opinion will or might cause it to expend time or money or otherwise incur liability unless and until a

satisfactory indemnity bond has been furnished to the Issuer at no cost or expense to the Issuer. Any amounts collected as Loan Payments or applicable to Loan Payments and any other amounts which would be applicable to payment of Bond Service Charges collected pursuant to action taken under this Section shall be paid into the Bond Fund and thereafter shall be paid as provided in Section 5.08 of the Indenture.

The provisions of this Section are subject to the further limitation that the rescission by the Trustee of its declaration that all of the Bonds are immediately due and payable also shall constitute an annulment of any corresponding declaration made pursuant to paragraph (a) of this Section and a waiver and rescission of the consequences of that declaration and of the Event of Default with respect to which that declaration has been made, provided that no such waiver or rescission shall extend to or affect any subsequent or other default or impair any right consequent thereon.

Section 7.3 No Remedy Exclusive. No remedy conferred upon or reserved to the Issuer or the Trustee by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement, the Letter of Credit or any Note, or now or hereafter existing at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair that right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary for the Issuer or the Trustee to give any notice, other than any notice required by law or for which express provision is made herein.

Section 7.4 Agreement to Pay Reasonable Attorneys' Fees and Expenses. The Borrower agrees to pay all reasonable fees and expenses incurred in connection with the preparation, execution, delivery, modification, waiver, and amendment of this Agreement, the other Bond Documents and related documents, and the fees and expenses of Bond Counsel, Counsel for the Issuer and, in connection with any amendments, any Counsel, if any, for any Bondholder who owns more than 25% of the aggregate principal amount of the Bonds Outstanding. If an Event of Default should occur and the Issuer or the Trustee should incur expenses, including attorneys' fees, in connection with the enforcement of this Agreement, the Letter of Credit or any Note or the collection of sums due thereunder, the Borrower shall reimburse the Issuer and the Trustee, as applicable, for the reasonable expenses so incurred upon demand; provided, however, if the Bank and the Trustee are the same or are affiliates, the Trustee shall not be entitled to reimbursement for the enforcement of the Letter of Credit upon the occurrence of those events of default described in Section 7.01(g) or (h) of the Indenture.

Section 7.5 No Waiver. No failure by the Issuer or the Trustee to insist upon the strict performance by the Borrower of any provision hereof shall constitute a waiver of their right to strict performance and no express waiver shall be deemed to apply to any other existing or subsequent right to remedy the failure by the Borrower to observe or comply with any provision hereof.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Term of Agreement. This Agreement shall be and remain in full force and effect from the date of initial delivery of the Bonds until such time as all of the Bonds shall have been fully paid (or provision made for such payment) pursuant to the Indenture and all other sums payable by the Borrower under this Agreement and the Notes shall have been paid, except for obligations of the Borrower under Sections 4.2 and 5.3 hereof, which shall survive any termination of this Agreement.

Section 8.2 Notices. All notices, certificates, requests or other communications hereunder shall be in writing and shall be deemed to be sufficiently given when mailed by first-class mail, postage prepaid, and addressed to the appropriate Notice Address. A duplicate copy of each notice, certificate, request or other communication given hereunder to the Issuer, the Borrower, the Bank or the Trustee shall also be given to the others. The Borrower, the Issuer, the Bank and the Trustee, by notice given hereunder, may designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 8.3 Extent of Covenants of the Issuer; No Personal Liability. All covenants, obligations and agreements of the Issuer contained in this Agreement or the Indenture shall be effective to the extent authorized and permitted by applicable law. No such covenant, obligation or agreement shall be deemed to be a covenant, obligation or agreement of any present or future official, director, member, officer, agent or employee of the Issuer in other than his official capacity, and neither the members of the Board of Directors of the Issuer nor any officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof or by reason of the covenants obligations or agreements of the Issuer contained in this Agreement or in the Indenture. No provision hereof shall be construed to impose a charge against the general credit of the Issuer or the Township.

Section 8.4 Binding Effect. This Agreement shall inure to the benefit of and shall be binding in accordance with its terms upon the Issuer, the Borrower and their respective successors and assigns; provided that this Agreement may not be assigned by the Borrower (except in connection with a sale, lease or grant of use pursuant to Section 5.2 hereof) and may not be assigned by the Issuer except to the Trustee pursuant to the Indenture or as otherwise may be necessary to enforce or secure payment of Bond Service Charges. This Agreement may be enforced only by the parties, their assignees and others who may, by law, stand in their respective places.

Section 8.5 Amendments and Supplements. Except as otherwise expressly provided in this Agreement, any Note or the Indenture, subsequent to the issuance of the Bonds and prior to all conditions provided for in the Indenture for release of the Indenture having been met, this Agreement or any Note may not be effectively amended, changed, modified, altered or terminated except in accordance with the applicable provisions of Article XI of the Indenture.

Section 8.6 Execution Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same instrument.

Section 8.7 Severability. If any provision of this Agreement, or any covenant, obligation or agreement contained herein, is determined by a court of competent jurisdiction to be invalid or unenforceable, that determination shall not affect any other provision, covenant, obligation or agreement, each of which shall be construed and enforced as if the invalid or unenforceable portion were not contained herein. That invalidity or unenforceability shall not affect any valid and enforceable application thereof, and each such provision, covenant, obligation or agreement shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

Section 8.8 Default by the Issuer – Limited Liability. Notwithstanding any provision or obligation to the contrary hereinbefore set forth, no provision of this Agreement shall be construed so as to give rise to a pecuniary liability of the Issuer or the Township or to give rise to a charge upon the general credit of the Issuer or the Township, the liability of the Issuer hereunder shall be limited to its interest in the Project, this Agreement, the Notes, and all other related documents and collateral and the lien of any judgment shall be restricted thereto. In the performance of the agreements of the Issuer herein contained, any obligation it may incur for the payment of money shall not be a debt of the Issuer or the Township, nor shall the Issuer or the Township be liable on any obligation so incurred. Neither the Issuer nor the Township assume general liability for the repayment of the Bonds or for the costs, fees, penalties, taxes, interest, commissions, charges, insurance or any other payments recited herein, and the Issuer shall be obligated to pay the same only out of the amounts payable by the Borrower hereunder. Neither the Issuer nor the Township shall be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Borrower if a default shall occur hereunder.

Section 8.9 Governing Law. This Agreement shall be deemed to be a contract made under the laws of the State and for all purposes shall be governed by and construed in accordance with the laws of the State.

Section 8.10 No Third Party Beneficiary. It is specifically agreed between the parties executing this Agreement that it is not intended by any of the provisions of any part of this Agreement to establish in favor of the public or any member thereof, other than the Bank or as may be expressly provided herein or as contemplated in the Indenture, the rights of a third party beneficiary hereunder, or to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement. The duties, obligations and responsibilities of the parties to this Agreement with respect to third parties shall remain as imposed by law.

Section 8.11 Indenture Provisions. The Indenture provisions concerning the Bonds and the other matters therein are an integral part of the terms and conditions of the Loan made by the Issuer to the Borrower pursuant to this Agreement and the execution of this Agreement shall constitute conclusive evidence of approval of the Indenture by the Borrower to the extent it relates to the Borrower. Additionally, the Borrower agrees that, whenever the Indenture by its

terms imposes a duty or obligation upon the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Indenture, and the Borrower hereby agrees to carry out and perform all of its obligations under the Indenture as fully as if the Borrower were a party to the Indenture.

Section 8.12 Patriot Act. To help the government fight the funding of terrorism and money laundering activities, Federal law (the USA Patriot Act, the “Patriot Act”) requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity, the Trustee will ask for documentation to verify such entity’s formation and existence as a legal entity. The Trustee may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation. The Issuer hereby agrees and the Borrower agrees in the Trust Indenture to cooperate with the Trustee by providing all such information requested by the Trustee in order to allow the Trustee to comply with the Patriot Act.

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Loan Agreement
Signature Page

IN WITNESS WHEREOF, the Issuer and the Borrower have caused this Agreement to be duly executed in their respective names, all as of the date first above written.

**THE ECONOMIC DEVELOPMENT CORPORATION
OF THE TOWNSHIP OF GEORGETOWN**

By: _____

Its: _____

SUNSET MANOR, INC.

By: _____
Rich Freerksen

Its: Chief Executive Officer

EXHIBIT A

THE PROJECT

The Project is comprised of 84 senior independent living units, fully enclosed parking garage and multiple amenities, including private dining rooms, multi-media room, guest suite, several creative activity spaces and a fitness area. The Project was originally financed with a construction loan from The Huntington National Bank. The proceeds of the Bonds will be used to refinance the construction loan.

EXHIBIT B

NOTE

\$_____

December ___, 2009

Sunset Manor, Inc., a Michigan nonprofit corporation (the "Borrower"), for value received, promises to pay to the order of The Huntington National Bank, as trustee (the "Trustee") under the Indenture hereinafter referred to, the principal sum of

_____ DOLLARS
(\$ _____)

on December 1, 20___, and to pay (i) interest on the unpaid balance of such principal sum from and after the date of this Note at the interest rate or interest rates borne by the Bonds and (ii) interest on overdue principal, and to the extent permitted by law, on overdue interest, at the interest rate provided under the terms of the Bonds.

This Note has been executed and delivered by the Borrower pursuant to a certain Loan Agreement (the "Agreement"), dated as of December 1, 2009, between The Economic Development Corporation of the Township of Georgetown (the "Issuer") and the Borrower. Terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement and the Trust Indenture, dated as of December 1, 2009, between the Issuer and The Huntington National Bank, as trustee (the "Indenture").

Under the Agreement, the Issuer has loaned the Borrower the proceeds received from the sale of \$_____ aggregate principal amount of The Economic Development Corporation of the Township of Georgetown Limited Obligation Revenue Bonds, Series 2009 (Sunset Manor, Inc. Project), dated as of the date of their issuance (the "Bonds"), to be applied to assist in the refinancing of the Project and to pay the costs of issuing the Bonds. The Borrower has agreed to repay such loan by making Loan Payments at the times and in the amounts set forth in this Note. The Bonds have been issued, concurrently with the execution and delivery of this Note, pursuant to, and are secured by, the Indenture.

To provide funds to pay the Bond Service Charges on the Bonds as and when due the Borrower hereby agrees to and shall make Loan Payments as follows: (1) on the second Business Day immediately preceding each December 1, an amount equal to the principal of Bonds due on such December 1; and (2) on the second Business Day immediately preceding each Interest Payment Date, the amount necessary, together with any moneys then on deposit with the Trustee and available for that purpose and any future monthly payments to be made prior to the next Interest Payment Date, to pay an amount equal to the interest then due and payable on the Bonds on such Interest Payment Date. In addition, to provide funds to pay the Bond Service Charges on the Bonds as and when due at any other time, including, without limitation, any applicable premium due on the Bonds, the Borrower hereby agrees to and shall make Loan Payments on any other date on which

any Bond Service Charges on the Bonds shall be due and payable, whether at maturity, upon acceleration, call for redemption or otherwise.

All Loan Payments shall be payable in lawful money of the United States of America and shall be made to the Trustee at its corporate trust office for the account of the Issuer, deposited in the Bond Fund and used as provided in the Indenture.

Subject to the next to last paragraph hereof, the obligation of the Borrower to make the payments required hereunder shall be absolute and unconditional and the Borrower shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim which the Borrower may have or assert against the Issuer, the Trustee, the Bank or any other person.

This Note is subject to optional, extraordinary optional and mandatory prepayment, in whole or in part, upon the same terms and conditions, on the same dates and at the same prepayment prices, as the Bonds are subject to optional, extraordinary optional and mandatory redemption. Any optional or extraordinary optional prepayment is also subject to satisfaction of any applicable notice, deposit or other requirements set forth in the Agreement or the Indenture.

Whenever an Event of Default under Section 7.01 of the Indenture shall have occurred and, as a result thereof, the principal of and any premium on all Bonds then outstanding, and interest accrued thereon, shall have been declared to be immediately due and payable pursuant to Section 7.03 of the Indenture, the unpaid principal amount of and any premium and accrued interest on this Note also shall be due and payable on the date on which the principal of and premium and interest on the Bonds shall have been declared due and payable; provided that the annulment of a declaration of acceleration with respect to the Bonds shall also constitute an annulment of any corresponding declaration with respect to this Note.

In the event that the Borrower elects to convert the Interest Rate Mode for the Bonds to the Bank Purchase Mode, and for as long as the Bonds bear interest in the Bank Purchase Mode, the Bank shall act as Trustee and Bondholder under the Agreement and the Indenture, and this Note shall be assigned by the Trustee to the Bank. Upon notice to the Trustee from the Borrower and the Bank, all Loan Payments and other amounts due to the Trustee under the Indenture and the Agreement shall be paid directly to the Bank.

IN WITNESS WHEREOF, the Borrower has signed this Note as of the date first above written.

SUNSET MANOR, INC.

By: _____
Rich Freerksen
Its: Chief Executive Officer

ENDORSEMENT AND ASSIGNMENT

FOR VALUE RECEIVED, pay without recourse to the order of The Huntington National Bank, as trustee (the "Trustee") under the Trust Indenture, dated as of December 1, 2009, between The Economic Development Corporation of the Township of Georgetown (the "Issuer") and the Trustee (the "Indenture"). The Issuer hereby assigns all of its right, title and interest in and to the above Note to the Trustee, or to its successor or successors as Trustee under the Indenture.

Dated: as of December ___, 2009.

THE ECONOMIC DEVELOPMENT
CORPORATION OF THE TOWNSHIP OF
GEORGETOWN

By: _____

Its: _____

[FOR VALUE RECEIVED, pay without recourse to the order of The Huntington National Bank, as the Bank (the "Bank") under the Trust Indenture, dated as of December 1, 2009, between The Economic Development Corporation of the Township of Georgetown (the "Issuer") and the Trustee (the "Indenture"), while the Bonds bear interest in the Bank Purchase Mode, as defined in the Indenture. The Trustee hereby assigns all of its right, title and interest in and to the above Note to the Bank or to its successor as such under the Indenture.

Dated: as of _____, 20__.

THE HUNTINGTON NATIONAL BANK,
as Trustee

By: _____

Its: _____]

